

May 1, 2002

PUBLIC UTILITIES COMMISSION
Request for Waiver of Basic Service
Calling Area Rule, (Chapter 204).

ORDER GRANTING
WAIVER REQUEST

I. SUMMARY

In this Order, we grant one request and deny another request for waiver of the requirements for adding an exchange to the basic service calling area. We direct Verizon Maine (Verizon) to obtain all necessary authorizations to implement local calling on a non-optional, flat-rate basis, from the Verizon Lubec exchange in Maine to the NBTel Campobello exchange in Canada and to file tariffs implementing the basic service calling area (BSCA) change within four months of the date of this Order. We deny a similar request to add the neighboring Verizon exchanges of Pembroke, Eastport, and Machias to the BSCA of Lubec. We direct Verizon to provide individual notice to all Lubec exchange subscribers regarding the availability of the ECCS and ECCS Plus calling plans to the neighboring exchanges. The Verizon "Expanded Community Calling Service" plans (ECCS) are optional calling plans between those exchanges that allow either a block-of-time or flat-rated calling for an additional monthly charge.

II. BACKGROUND

On October 24, 2001, the Commission received a petition requesting a waiver from the requirements of the Commission's Basic Service Calling Area Rule (Chapter 204). The petition indicated that it was filed pursuant to 35-A MRSA §7303-A.¹ The petitioners requested that calling to the Campobello exchange (served by NBTel, New Brunswick, Canada) be available in the calling area of the Lubec exchange as a local or non-toll call. Petitioners also requested the ability to call neighboring exchanges in Maine (Pembroke, Eastport and Machias).

¹ **§7303-A. Basic service calling areas.** Upon written petition of 50 or more customers of a local exchange carrier who receive local, flat-rate, basic service within no more than a single exchange area, the commission shall open a proceeding to investigate expanding that basic service calling area. The commission shall hold at least one public hearing. The commission, within 6 months of the filing of the written petition, shall issue an order that must either expand the basic service calling area or state the commission's reasons for refusing to expand the basic service calling area. If the commission expands the basic service calling area pursuant to this subsection, the commission may allow a carrier affected by the expansion to recover, to the extent reasonable, its costs, including lost revenues, attributable to the expansion.

On November 27, 2001, the petitioners sent an email to the Commission referring to existing optional toll calling plans (ECCS and ECCS Plus), asking why they were not publicized and promoted in Lubec. The email also asked why Lubec customers could not call Campobello, as could residents of Calais, ME, and St. Stephen, NB, who can call each other on a local or non-toll call basis.

Pursuant to a Staff data request, on December 5, 2001, Verizon provided information describing the process necessary to implement a calling area expansion into a different LATA (local access transport area). The Federal Communications Commission, in an August 30, 1999, Order, stated that modifications to LATA boundaries would be granted for flat-rated, non-optional service, where there was a community of interest and where the modification was not anti-competitive. The petition would have to be approved by a state commission which found that a sufficient community of interest existed and that a limited number of customers were involved.

On April 11, 2002, Verizon filed additional comments in this docket, stating that it could not support the waiver request and that if the Commission did grant the petitioner's request it had concerns regarding cost recovery and pricing. Verizon proposed that one-time costs to augment trunking for the expected increase in Lubec to Campobello traffic be recovered through a temporary rate surcharge. Verizon also proposed to recover lost switched access revenues through an increase in the Lubec Premium monthly rate, as allowed under the BSCA rule (Chapter 204).

III. DECISION

The Commission believes that a sufficient community of interest exists between the Lubec and Campobello exchanges for a number of reasons. Lubec is a service center for the area that includes Campobello, as determined by the Maine State Planning Office; NBTel implemented one-way local calling from Campobello to Lubec approximately eighteen months ago based on NBTel's call volume analysis for determining community of interest calling; and there appears to be a high level of social and economic interaction between Lubec and Campobello. Our review of the evidence indicates that the communities share medical and emergency services (i.e. the fire departments, ambulance services and police departments in both communities assist each other as necessary); many Campobello residents work in Lubec; the FDR International Park employs residents from both communities; and Campobello, while just over the bridge from Lubec, is fifty miles from St. Stephens, the nearest major settlement in New Brunswick, Canada.

There are approximately 1,400 subscriber lines in the Lubec exchange. The population of Campobello is less than 2,000. It would be difficult and likely unreliable to perform traffic analysis of the toll calls from Lubec to Campobello due to the one-way local calling capability from Campobello to Lubec and because interexchange carriers other than Verizon carry the calls, which are international.

We conclude that the information presented to us by the petitioners and Verizon demonstrates a sufficient community of interest between Lubec and Campobello to justify a waiver of our rule so as to expand Lubec's BSCA, on a flat-rated, non-optional basis, to Campobello. We therefore approve the request for waiver of the BSCA rule and direct Verizon to obtain all necessary authorizations to implement local calling on a non-optional, flat-rate basis, from the Verizon Lubec exchange in Maine to the Campobello exchange in Canada and to file tariffs implementing the BSCA change within four months of the date of this Order. Verizon should propose Premium monthly rates that follow the guidelines in Chapter 204 of our rules. Lost switched access revenues or facilities costs not recovered by the proposed rates should be tracked for one year (pursuant to Chapter 204), for the Commission's consideration. However, we expect that the costs for additional facilities and the amount of lost access revenues to both be modest amounts.

The request to add the neighboring Verizon exchanges of Pembroke, Eastport, and Machias to the BSCA of Lubec is denied because of the availability of existing optional toll calling plans that allow Lubec residents to choose either a block of time or flat, unlimited calling to those exchanges.² We direct Verizon to inform all Lubec exchange subscribers regarding the availability of the ECCS and ECCS Plus calling plans to the neighboring exchanges.

Dated at Augusta, Maine this 1st day of May 2002

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Diamond

COMMISSIONER ABSENT: Nugent

² ECCS: \$3.00 for the initial hour of calling; \$.05 per minute for each additional minute in excess of one hour. ECCS Plus: \$6.00 per month for unlimited calling.